
HOUSE BILL No. 1189

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1.

Synopsis: Biofuel production tax credits. Provides that the biodiesel and ethanol production tax credits must be allocated to the partners, shareholders, or members of a pass through entity in a manner that is consistent with applicable provisions of the Internal Revenue Code. (Current law specifies that the allocation must be made according to the distributive share of income to which the partner, shareholder, or member is entitled.) Provides that a taxpayer may sell, assign, convey, or otherwise transfer a biodiesel production tax credit or an ethanol production tax credit. (Current law prohibits the sale, assignment, conveyance, or transfer of the tax credits.)

Effective: July 1, 2009.

Pearson

January 12, 2009, read first time and referred to Committee on Agriculture and Rural Development.

C
o
p
y



Introduced

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1189

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-27-11 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. If a pass through
3 entity is entitled to a credit under this chapter but does not have state
4 tax liability against which the tax credit may be applied, a shareholder,
5 partner, or member of the pass through entity is entitled to a tax credit
6 equal to:

7 (1) the tax credit determined for the pass through entity for the
8 taxable year; multiplied by

9 (2) the percentage of the ~~pass through entity's distributive income~~
10 **credit** to which the shareholder, partner, or member is entitled, **as**
11 **determined in a manner consistent with Section 704 or 1366**
12 **of the Internal Revenue Code, as applicable.**

13 SECTION 2. IC 6-3.1-27-12, AS AMENDED BY P.L.191-2005,
14 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2009]: Sec. 12. (a) If the amount of the credit determined
16 under this chapter for a taxpayer in a taxable year exceeds the
17 taxpayer's state tax liability for that taxable year, the taxpayer may carry

2009

IN 1189—LS 6901/DI 92+



C
o
p
y

over the excess to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A credit may not be carried forward for more than six (6) taxable years following the taxable year in which the taxpayer was first entitled to claim the credit.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit.

(c) A taxpayer may ~~not~~ sell, assign, convey, or otherwise transfer the tax credit provided by this chapter.

SECTION 3. IC 6-3.1-28-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. If a pass through entity is entitled to a credit under this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the ~~pass through entity's distributive income~~ **credit** to which the shareholder, partner, or member is entitled, **as determined in a manner consistent with Section 704 or 1366 of the Internal Revenue Code, as applicable.**

SECTION 4. IC 6-3.1-28-9, AS AMENDED BY P.L.175-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) If the amount of the credit determined under this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry over the excess to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit.

(c) A taxpayer may ~~not~~ sell, assign, convey, or otherwise transfer the tax credit provided by this chapter.

C
o
p
y

